
Department of Education

Appropriations Committee Hearings

January 18 & 26, 2022



Exec Adds \$141.4 M General Fund to ADE Budget

- Mostly Funds Results-Based Funding, Support for Schools with Low Letter Grades

	GF \$ in M Above Prior Year	
	<u>JLBC</u>	<u>Exec</u>
1) Formula Growth	92.3	88.6
2) Remove One-Time	(81.2)	(81.2)
3) Results-Based Funding Expansion	0	60.8
4) Support for D + F, Low-Income C Schools	0	58.0
5) Continue CTE Incentive Payments	0	6.0
6) Civics Bonuses	0	5.0
7) Statewide Assessments	0	4.0
8) Other	<u>0</u>	<u>0.2</u>
Total	11.1	141.4

K-12 Aggregate Expenditure Limit (AEL)

- Prop 208 issue affects '23 AEL, Not '22

- ADE calculates district spending compared to AEL by 11/1 of each year
- School district budgets for '22 are \$1.1 B above the AEL; 2/3rds of the Legislature can override the limit by March 1, 2022
- With no override, districts would need to reduce their budgets
- District budget reductions would not generate state savings because ADE is still required to make full Basic State Aid (BSA) payment
- Proposition 208 income tax surcharge would also impact district expenditures counting toward the AEL, but not until '23